



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH SYSTEM MEDICAL CENTER GOVERNING BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 15.1
(ID # 26308)**

MEETING DATE:
Tuesday, November 05, 2024

FROM : RUHS-MEDICAL CENTER

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM- MEDICAL CENTER: Ratify and approve the Letter of Participation with U.S. Foods for food service distribution services for five years, effective July 1, 2024, through June 30, 2029, All Districts. [Total Aggregate Amount \$23,774,084; up to \$430,251 in Additional Annual Compensation - 100% Hospital Enterprise Fund.]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Letter of Participation with U.S. Foods for food service distribution services for a total aggregate amount of \$23,774,084 for five years through June 30, 2029, and authorize the Chair of the Board to sign the Agreement on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of fiscal funding and in a form approved by County Counsel, to sign amendments including modifications of the statement of work that stay within the intent of the Agreement and to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the total annual cost of the Agreement.
3. Authorize the Purchasing Agent, or designee, to issue Purchase Orders for goods and/or services that do not exceed the total contract amount.

ACTION:Policy

Jennifer Crutcher
Jennifer Crutcher, Chief Executive Officer - Health System 10/29/2024

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Jeffries, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: November 5, 2024
xc: RUHS-Medical Center

Kimberly A. Rector
Clerk of the Board
By: *Kimberly A. Rector*
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$4,302,510	\$4,517,636	\$23,774,084	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund - 40050			Budget Adjustment: No	
			For Fiscal Year: 24/25-28/29	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action will approve the Letter of Participation with U.S. Foods for food service distribution. U.S. Foods has provided Riverside University Health System Medical Center (RUHS-MC) with foods, small wares and equipment for meal preparation for patients, staff and customers in retail environments.

Since 2008, RUHS-MC has relied on U.S. Foods as a key partner in providing essential food and distribution services. This agreement encompasses the delivery of a diverse range of products critical for meal preparation, including fresh produce, dairy products, dry goods, and small wares.

The increasing demand for RUHS-MC’s services, driven by a growing patient population and expanded service offerings, necessitates a reliable and scalable supply chain partner. U.S. Foods has consistently demonstrated its capability to meet these demands with high-quality products and dependable service, which is crucial to maintaining our high standards of patient care and operational efficiency.

U.S. Food’s extensive distribution network and logistical capabilities allow them to manage significant increases in order volumes, ensuring a reliable supply of a diverse range of products necessary for our expanding services. U.S. Foods’ adaptability to changing requirements and their consistent, high-quality service are crucial as we experience increased demand and evolve our service offerings. This long-standing partnership provides the stability and flexibility needed to maintain exceptional care and operational efficiency as we grow.

Impact on Residents and Businesses

These services are a component of RUHS’s system of care aimed at improving the health and safety of its patients and the community.

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Contract History and Price Reasonableness

RUHS-MC has engaged U.S. Foods since 2008, with the scope of the contract evolving over time to accommodate the expanding needs of our facility. The previous agreement was renewed and adjusted in 2018 to address these evolving requirements and expired on June 30th, 2024. This longstanding partnership has been marked by effective service, delivery and competitive pricing.

The proposed new agreement is both necessary and cost-effective, reflecting current market conditions and the essential role U.S. Foods plays in our operations. The pricing has been thoroughly reviewed and is deemed reasonable in comparison to industry standards, as U.S. Foods is a part of a Vizient GPO that has been competitively bid. This agreement ensures high-quality service and supply continuity, which is integral to our patient care programs.

This Letter of Participation requires Board of Supervisors approval as the annual spend amount exceeds the Purchasing Agent's authority and \$750,000 threshold for contracting with a single vendor per Resolution 2024-127, Agenda Item 3.32, June 11, 2024.

ATTACHMENTS:

Attachment A: U.S. Foods Letter of Participation

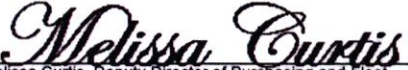

 Melissa Curtis, Deputy Director of Purchasing and Fleet	10/25/2024	 Jacqueline Ruiz, Principal Analyst	10/29/2024
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EXHIBIT M

End User Agreement

NOTICE: MEMBERS MAY HAVE ADDITIONAL OBLIGATIONS TO DISTRIBUTOR UNDER THIS/THESE SEPARATE, INDIVIDUAL END USER AGREEMENTS WITH DISTRIBUTOR (COLLECTIVELY, THE “END USER AGREEMENT”), THAT ARE NOT SPECIFICALLY COVERED OR CONTEMPLATED BY THE DISTRIBUTION SERVICES AGREEMENT BETWEEN DISTRIBUTOR AND VIZIENT SUPPLY, LLC (THE “VIZIENT AGREEMENT”) TO WHICH THIS END USER AGREEMENT IS ATTACHED. PLEASE NOTE THAT (I) VIZIENT HAS NOT NEGOTIATED OR APPROVED THE TERMS OF THIS END USER AGREEMENT, AND (II) MEMBERS HAVE THE ABILITY TO NEGOTIATE THE TERMS OF SUCH END USER AGREEMENT LOCALLY TO SUIT THEIR SPECIFIC NEEDS.

MEMBERS SHOULD BE AWARE THERE MAY BE INCONSISTENCIES BETWEEN THE TERMS OF THE VIZIENT AGREEMENT AND THIS END USER AGREEMENT. AS SUCH, EACH MEMBER MAY WANT TO CONSIDER RETAINING ITS OWN LEGAL COUNSEL WHEN NEGOTIATING AND/OR ENTERING INTO THIS END USER AGREEMENT.

US Foods, Inc. (“US Foods”) Vizient Letter of Participation FD9143

Start/Effective Date	July 1, 2024
Member	County of Riverside, a political subdivision of the state of California, on behalf of Riverside University Health System
Address	26520 Cactus Avenue
City, State, ZIP	Moreno Valley, CA 92555
US Foods Distribution Center City/ST	1283 Sherborn St., Ste 102 Corona, CA 92879
Member Contact	Kelsie Baird
Contact Title	Administrative Analyst II
Phone	(951) 486-4000
Email Address	k.baird@ruhealth.org ap@ruhealth.org
Member Signature	See attached signature page

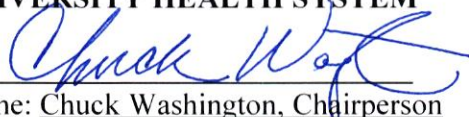
Notification of US Foods Prime Vendor Declaration

This Letter of Participation is subject to the Foodservice Distribution Agreement between Vizient Supply, LLC (“Vizient”) and US Foods (the “Vizient Agreement”) dated July 1, 2024. Member is declaring US Foods for primary foodservice distribution. Member agrees to the following:

- A. Member agrees to utilize US Foods as its prime vendor for food service distribution, which means that Member shall purchase at least 80% of its annual requirements of food and food service-related products from US Foods (as measured in dollars), provided, however, that this commitment shall only apply to such food and food service-related products that are offered by US Foods. If, upon review of Member’s purchasing activity, Vizient or US Foods determines that Member is not purchasing products from US Foods in the manner set forth above, Vizient, Member and US Foods may initiate a plan to improve purchasing levels. If purchasing levels do not improve within the period of time mutually agreed to by Member, Vizient, and US Foods, US Foods may, upon Vizient’s approval (which shall not be unreasonably withheld) and with 30 days’ notice to the Member, begin removing the Member from participation under the Vizient Agreement. Such transition period not to exceed 60 days.
- B. Member agrees to participate and be bound by, to the extent applicable, the terms and conditions set forth in the Vizient Agreement.
- C. Member may terminate this letter of participation at any time by giving 60 day’s written notice to US Foods.
- D. Member agrees, that within 30 days of termination of its relationship with US Foods, it will purchase or cause a third party to purchase any remaining inventory of specially ordered and/or proprietary products stocked exclusively for the Member.
- E. This Letter of Participation supersedes any previous Vizient Letter of Participation between US Foods and Member.

Email completed form to
Askvizient@usfoods.com

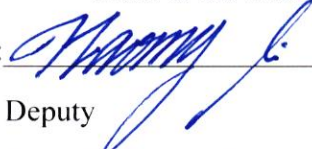
**COUNTY OF RIVERSIDE on behalf of RIVERSIDE
UNIVERSITY HEALTH SYSTEM**

By: 
Name: Chuck Washington, Chairperson
Title: Board of Supervisors

Address: 26520 Cactus Avenue
Moreno Valley, CA 92555


ATTEST: Kimberly Rector

Clerk of the Board

By: 
Deputy

APPROVED TO FORM:

County Counsel

By: 
Print Name: Gregg Gu
Chief Deputy County Counsel

Date: 10/17/2024






Letter of Participation- US Foods

Final Audit Report

2024-10-17

Created:	2024-10-17
By:	Amanda Gomez (Ama.Gomez@ruhealth.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUNpEIQEKtmzJ1C2cpb5lhGUCN1UsEeXu

"Letter of Participation- US Foods" History

-  Document created by Amanda Gomez (Ama.Gomez@ruhealth.org)
2024-10-17 - 6:25:38 PM GMT
-  Document emailed to Gregg Gu (ggu@rivco.org) for signature
2024-10-17 - 6:25:42 PM GMT
-  Email viewed by Gregg Gu (ggu@rivco.org)
2024-10-17 - 8:42:24 PM GMT
-  Document e-signed by Gregg Gu (ggu@rivco.org)
Signature Date: 2024-10-17 - 8:42:36 PM GMT - Time Source: server
-  Agreement completed.
2024-10-17 - 8:42:36 PM GMT